## AMENDED IN SENATE MAY 28, 2014 AMENDED IN ASSEMBLY MAY 24, 2013 AMENDED IN ASSEMBLY MAY 7, 2013 AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013-14 REGULAR SESSION

## ASSEMBLY BILL

No. 686

## **Introduced by Assembly Member Quirk**

February 21, 2013

An act to add and repeal Section 25201.18 of the Health and Safety Code, relating to hazardous waste. An act to add Section 23363.4 to the Business and Professions Code, relating to alcoholic beverages.

## LEGISLATIVE COUNSEL'S DIGEST

AB 686, as amended, Quirk. Hazardous waste: pharmaceutical facilities. Alcoholic beverages: sales: distilled spirits.

The Alcoholic Beverage Control Act contains various provisions regulating the application for, the issuance of, the suspension of, and the conditions imposed upon, alcoholic beverage licenses by the Department of Alcoholic Beverage Control. The act permits the holder of a manufacturer's license to sell alcoholic beverages to specified licensed parties only and not to the general public. The act provides that a violation of its provisions is a misdemeanor, unless otherwise specified.

This bill would authorize distilled spirits manufacturers to sell general merchandise, food, nonalcoholic beverages, and distilled spirits to consumers for consumption on the licensed premises where sold. Because the violation of a provision of a license is punishable as a

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misdemeanor and the bill would broaden the range of activities a distilled spirits manufacturer's license authorizes, the bill would expand the definition of an existing crime, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law requires hazardous waste facilities, including, but not limited to, treatment facilities, to operate under hazardous waste facilities permits or other grants of authorization issued by the Department of Toxic Substances Control. Existing law exempts pharmaceutical neutralization activities from certain requirements of the hazardous waste control laws and certain regulations adopted pursuant to that law if specified conditions are met with regard to the pharmaceutical manufacturing or process development activities, including the management of air emissions and wastes generated as a result of those activities.

This bill would require the department, by January 1, 2016, to develop recommendations for standards and guidelines for the operation of onsite waste management and recycling of hazardous waste at facilities engaged in pharmaceutical manufacturing or pharmaceutical process development. The department would be required, by January 1, 2016, to submit a report to the Legislature on those recommendations, including any recommended statutory and regulatory actions needed to assure the safe and efficient management of waste from pharmaceutical manufacturing or pharmaceutical process development activities. The bill would repeal this report requirement on January 1, 2019.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 23363.4 is added to the Business and
- 2 Professions Code, to read:
- 3 23363.4. (a) A distilled spirits manufacturer, notwithstanding
- 4 any other provision of this division, may sell general merchandise,

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food, nonalcoholic beverages, and distilled spirits to consumers for consumption on the licensed premises where sold.

- (b) The Legislature finds that it is necessary and proper to require a separation between manufacturing interests, wholesale interests, and retail interests in the production and distribution of alcoholic beverages in order to prevent suppliers from dominating local markets through vertical integration and to prevent excessive sales of alcoholic beverages produced by overly aggressive marketing techniques. The Legislature further finds that the exception established by this section to the general prohibition against tied interests shall be limited to its express terms so as not to undermine the general prohibition, and intends that this section be construed accordingly.
- SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SECTION 1. Section 25201.18 is added to the Health and Safety Code, to read:

- 25201.18. (a) On or before January 1, 2016, the department shall develop recommendations for standards and guidelines for the operation of onsite hazardous waste management and recycling activities at facilities engaged in pharmaceutical manufacturing or pharmaceutical process development. The recommendations shall consider, but are not limited to, all of the following:
- (1) Actions to reduce the production and offsite disposal of hazardous waste from pharmaceutical manufacturing operations.
- (2) Actions to provide incentives to reduce greenhouse gas emissions through increased energy efficiency.
- (3) Recommended permit conditions or other requirements for onsite waste management within a pharmaceutical manufacturing facility to ensure the protection of public health and the environment and that recognize the unique federal and state requirements that apply to pharmaceutical manufacturing.

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(b) On or before January 1, 2016, the department shall submit a report to the Legislature in compliance with Section 9795 of the Government Code on the recommendations developed pursuant to subdivision (a), including any recommended statutory and regulatory actions needed to assure the safe and efficient management of hazardous waste from pharmaceutical manufacturing or pharmaceutical process development activities.

(c) This section shall remain in effect only until January 1, 2019, pursuant to Section 10231.5 of the Government Code and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.